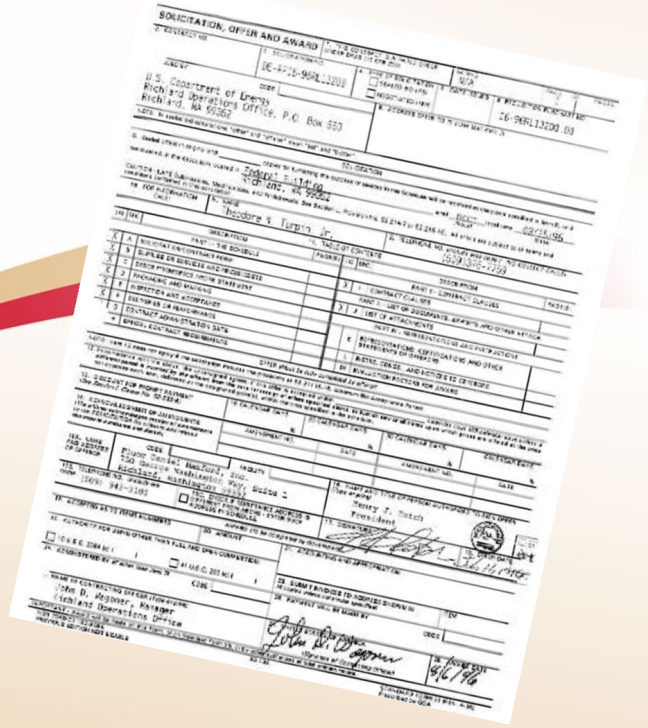
Defense Acquisition University




# *Source Selection Training*

# *For Services*

## *Instructor: Leslie S. Deneault*

# Plan of the Hour

- What is unique to services source selection

- Consider the New
- Review some GA

# Director, Defense Procurement & Acquisition Policy Memorandum

OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

ACQUISITION, TECHNOLOGY AND LOGISTICS

MAR - 4 2011

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION COMMAND (ATTN: ACQUISITION EXECUTIVE)
ASSISTANT SECRETARY OF THE ARMY FOR ACQUISITION, LOGISTICS AND TECHNOLOGY
ASSISTANT SECRETARY OF THE NAVY FOR RESEARCH, DEVELOPMENT AND ACQUISITION
ASSISTANT SECRETARY OF THE AIR FORCE FOR ACQUISITION
ASSISTANT SECRETARY OF DEFENSE FOR NETWORKS AND INFORMATION INTEGRATION
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Department of Defense Source Selection Procedures

The Source Selection Joint Analysis Team (JAT) was established on November 10, 2008, by the Under Secretary of Defense (Acquisition, Technology and Logistics). The objective of the JAT was to standardize the methodology and approach the Department uses to conduct competitively negotiated source selections. The JAT has concluded its examination of the current source selection processes utilized within the Department and identified the key elements of a successful source selection.

The attached document provides the procedures to be used within the Department when conducting negotiated, competitive acquisitions utilizing FAR Part 15 procedures. Highlights of

# Pre-Solicitation Activities

- **Acquisition Planning**
  - **The risk assessment done as part of Acquisition Planning will be critical in developing evaluation factors.**
  - **Review of the Acquisition Planning**
    - **Acquisition Strategy for non IT services > $1B approved by AT&L or designees**
      - **> $500M for IT services**
    - **DPAP Peers Reviews if value > $1B**
      - **Non-competitive contracts just changed to > $500M**

# Pre Solicitation Activities

- Stresses the need for market research and industry involvement
  - Industry Days “highly recommended for all acquisitions”
    - Followed up with One on One Meetings (Not in SSP) but permitted by FAR
  - Draft Requests for Proposals “highly recommended for all acquisitions”

# Prepare the Request for Proposal

- Evaluation Criteria must include cost or price and the quality of the service
- Quality is considered by
  - Past performance
  - Management capability
  - Personnel Qualification
  - Prior Experience
  - Compliance with the solicitation requirements
  - Technical excellence

# Past Performance is more important in Services

- Good performance is a strong indicator of future performance
  - Services work is frequently commercial
  - Not inventing something new
- It just makes sense to evaluate their previous work performance
  - Must prepare PP evaluations >1M
    - FY 2012 NDAA; timely and complete PP data
  - Must evaluate PP in source selections of services > $1M

# Evaluation and Decision – Past Performance (Relevancy on Recent Effort)

| Table 4. Past Performance Relevancy Ratings | |
|---|---|
| Rating | Definition |
| Very Relevant | Present/past performance effort involved essentially the same scope and magnitude of effort and complexities this solicitation requires. |
| Relevant | Present/past performance effort involved similar scope and magnitude of effort and complexities this solicitation requires. |
| Somewhat Relevant | Present/past performance effort involved some of the scope and magnitude of effort and complexities this solicitation requires. |
| Not Relevant | Present/past performance effort involved little or none of the scope and magnitude of effort and complexities this solicitation requires. |

# Evaluation and Decision – Past Performance (Performance Confidence Assessments)

| Table 5. Performance Confidence Assessments | |
|---|---|
| Rating | Description |
| Substantial Confidence | Based on the offeror's recent/relevant performance record, the Government has a high expectation that the offeror will successfully perform the required effort. |
| Satisfactory Confidence | Based on the offeror's recent/relevant performance record, the Government has a reasonable expectation that the offeror will successfully perform the required effort. |
| Limited Confidence | Based on the offeror's recent/relevant performance record, the Government has a low expectation that the offeror will successfully perform the required effort. |
| No Confidence | Based on the offeror's recent/relevant performance record, the Government has no expectation that the offeror will be able to successfully perform the required effort. |
| Unknown Confidence (Neutral) | No recent/relevant performance record is available or the offeror's performance record is so sparse that no meaningful confidence assessment rating can be reasonably assigned. |

# Importance of Evaluation Criteria

- Often there are many suppliers of the service
  - Write evaluation criteria that differentiates between the many contractors in order to pick best value
  - Must make the effort to:
    - Understand the risks in the work
    - Understand the marketplace

# Importance of Evaluation Criteria

- With a Performance Work Statement, we will get differing proposals
  - Evaluation criteria must be written to evaluate results, not one method the work

OR

# GAO Perspectives

**In reviewing protests of an agency's evaluation and source selection decision, even in a task order competition as here, we do not reevaluate proposals but examine the record to determine whether the evaluation and source selection decision are reasonable and consistent with the solicitation's evaluation criteria and applicable procurement laws and regulations.**

# GAO Case B-401889

Best Value Source Selection: Overall rating of non-cost factors ( Qualifications, Mgt, Technical, Past Performance, Small Business P

| Offerors | Overall Rating | Overall Risk | Evaluated Price |
|---|---|---|---|
| Proposal A | Good | Low Risk | $94,705.72 |
| Proposal B | Good | Low Risk | $91,721.82 |
| Proposal C | Marginal | High Risk | $88,747.12 |
| Proposal D | Acceptable | Low Risk | $88,274.00 |
| Proposal E | Marginal | High Risk | $86,375.74 |
| Proposal F | Marginal | High Risk | $85,456.74 |
| Proposal G | Acceptable | Low Risk | $77,271.28 |
| Proposal H | Acceptable | Moderate Risk | $66,535.87 |

# Case 4 - Coastal Environments

**The Army SSA picked Proposal A, Ecological Communications Corporation (ECC) because of "ECC's technical superiority".**

**Proposal G, Coastal Environments protested because they were low cost and had an acceptable rating with overall low risk.**

**The protest is sustained because the SSA conducted a tradeoff between the two highest-rated , highest priced proposals, but did not consider in its tradeoff decision the lower prices offered by other lower-rated offerors, whose proposal were rated technically acceptable with low risk.**

**Lesson: Cannot ignore lower-priced**

# Some Other Lessons Learned from Protest Cases

**Price Evaluation must <u>meaningfully</u> consider price**

- **Access Systems Inc, B-400623.3**
  - **Task order on a GWAC's contract**
  - **Protest sustained because documentation did not justify paying the price premium for superior capabilities.**
  - **If you are going to pay a higher price for technically superiority, the SSDD must explain why.**

# Some Other Lessons Learned from Protest Cases

**Cannot exclude a proposal from competitive range without considering price**

- **ARC Tech Inc, B-400325.3**
  - **8 (a) set aside for multiple award ID/IQ contract**
  - **10 proposals; cut the 7 lowest scored technical proposals from the competitive range**
  - **Protest sustained because:**

**"An agency may not exclude from the competitive range a proposal that has not been determined technically unacceptable without taking into account the proposal's price."**

# Some other Lessons Learned from Protest Cases

**A mechanical comparison of points is not good enough documentation.**

- **Midland, B-298720**
  - **One-paragraph summaries of the proposals**
  - **Charts showing agency's assignment of raw scores, the calculation of weighted scores, & the total point score for each proposal**
  - **The record lacks any documentation reflecting a meaningful comparative analysis of proposals**
  - **Need to explain why awardee's lower technically rated, lower-priced proposal was selected for award over Midland's higher technically rated, higher-priced proposal.**
  - **Agency will do the evaluation again**

# Insight Into GAO Decisions

**If you would like to get a better understanding of why the Government loses protests, you should take a look at GAO Bid Protest Overview (GAO-12-520SP).**

**Last updated in December 2011, GAO Bid Protest Overview looks at:**

- **Evaluation and Source Selection**
- **Price and Cost Evaluations**
- **Past Performance**
- **Federal Supply Schedule (FSS) Purchase**
- **Organizational Conflicts of Interest (OCI)**
- **Unfair Competitive Advantage**
- **Protests, Task and Delivery Orders**
- **OMB Circular A-76**
- **Miscellaneous Issues**

# Defining the requirement is more difficult in services

- New SSP says “The leadership of Program Management/Requirement Office shall:
  - ensure the technical requirements….are approved and stable,
  - establish technical specifications, and
  - develop a SOW, SOO, or PWS

**Easier said than done! These people are usually not experts in what they are buying or trained in acquisition!**

# Defining the Requirement

- **Writing is hard! Very few people in most organizations have the skill and interest to write good requirements. Find these people, praise them, and promote them so they never leave.**

# Defining the Requirement

- The sooner the parties come to an understanding of the requirements, the better (FORCES THE GOV'T TO PREPARE AND AGREE!)
  - Before Award
    - Draft proposals
    - One on one meetings
    - Site surveys
    - Provide as much historical data as you have
  - After Award
    - Post award conference

# Poor Requirement Example

- Army lost to InfraMap in GAO Protest
- Estimates of future work was not reasonable
- RFP work statement was based on 2010 data plus 10%
  - Ktrs to propose fixed annual price
- Information available indicated a 17 to 19% increase from 2010 data

**"10% increase was the increase used by the agency the last time they solicited this work"**

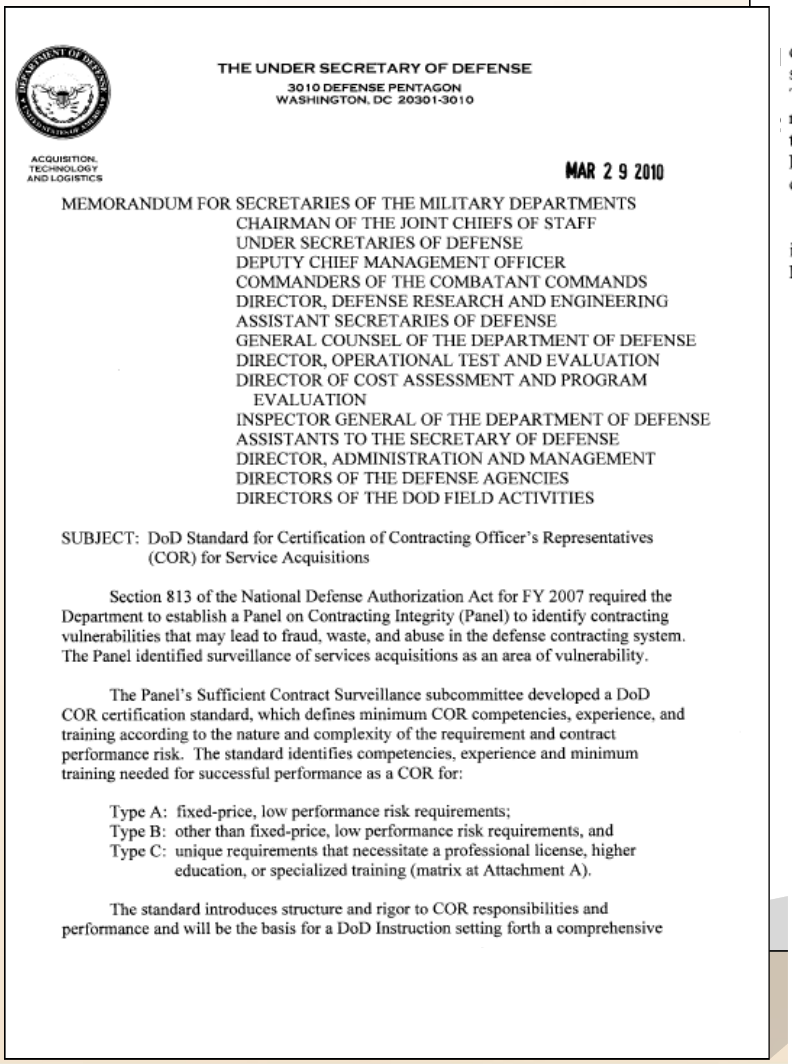
# Manage the Risk

- **Evaluate Risk so you can manage it**
  - **Require and evaluate Contractors Quality Control Plan. Put it on contract**
  - **Use incentives to ensure contractor attention on performance**
  - **Assign a COR early in the development of the RFP**
    - **Same COR develops the requirement and monitors the performance**

# Use Incentives

- **Need to select the appropriate contract type and incentives**
  - **FY 2012 NDAA: "Meaningful incentives to services contractors for high performance at low cost"**
  - **BBP: Use FFP type, CPFF, CPIF for services**
- **My opinion: We used T&M and Award Fee so much that our KO's don't know how to use various contract types and incentives**
  - **T&M and Award Fee are not in favor**

# COR Training and Certification



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION, TECHNOLOGY AND LOGISTICS

MAR 2 9 2010

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DEPUTY CHIEF MANAGEMENT OFFICER
COMMANDERS OF THE COMBATANT COMMANDS
DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
ASSISTANT SECRETARIES OF DEFENSE
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DIRECTOR OF COST ASSESSMENT AND PROGRAM EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: DoD Standard for Certification of Contracting Officer's Representatives (COR) for Service Acquisitions

Section 813 of the National Defense Authorization Act for FY 2007 required the Department to establish a Panel on Contracting Integrity (Panel) to identify contracting vulnerabilities that may lead to fraud, waste, and abuse in the defense contracting system. The Panel identified surveillance of services acquisitions as an area of vulnerability.

The Panel's Sufficient Contract Surveillance subcommittee developed a DoD COR certification standard, which defines minimum COR competencies, experience, and training according to the nature and complexity of the requirement and contract performance risk. The standard identifies competencies, experience and minimum training needed for successful performance as a COR for:

Type A: fixed-price, low performance risk requirements;
Type B: other than fixed-price, low performance risk requirements, and
Type C: unique requirements that necessitate a professional license, higher education, or specialized training (matrix at Attachment A).

The standard introduces structure and rigor to COR responsibilities and performance and will be the basis for a DoD Instruction setting forth a comprehensive COR certification program that addresses roles and responsibilities for the COR, COR management, and the Contracting Officer consistent with the former Deputy Secretary of Defense memorandum (Attachment B).

The Defense Acquisition University (DAU), working with Panel representatives, developed baseline training from competencies identified in the standard. Component-sponsored and commercial training must be equivalent to the DAU baseline training for Type B and C work/requirements to meet the standard training requirements. Equivalency requirements are addressed at http://icatalog.dau.mil/learning/equivalency.aspx. Online training for Type B and C requirements is anticipated to be available in the 4th quarter of FY 2010 through the university. I encourage your current and prospective CORs to complete training as it becomes available.

Please disseminate this information as appropriate to prepare for Departmental implementation of the DoD Standard for Certification of Contracting Officer's Representatives for Services Acquisitions.

Ashton B. Carter

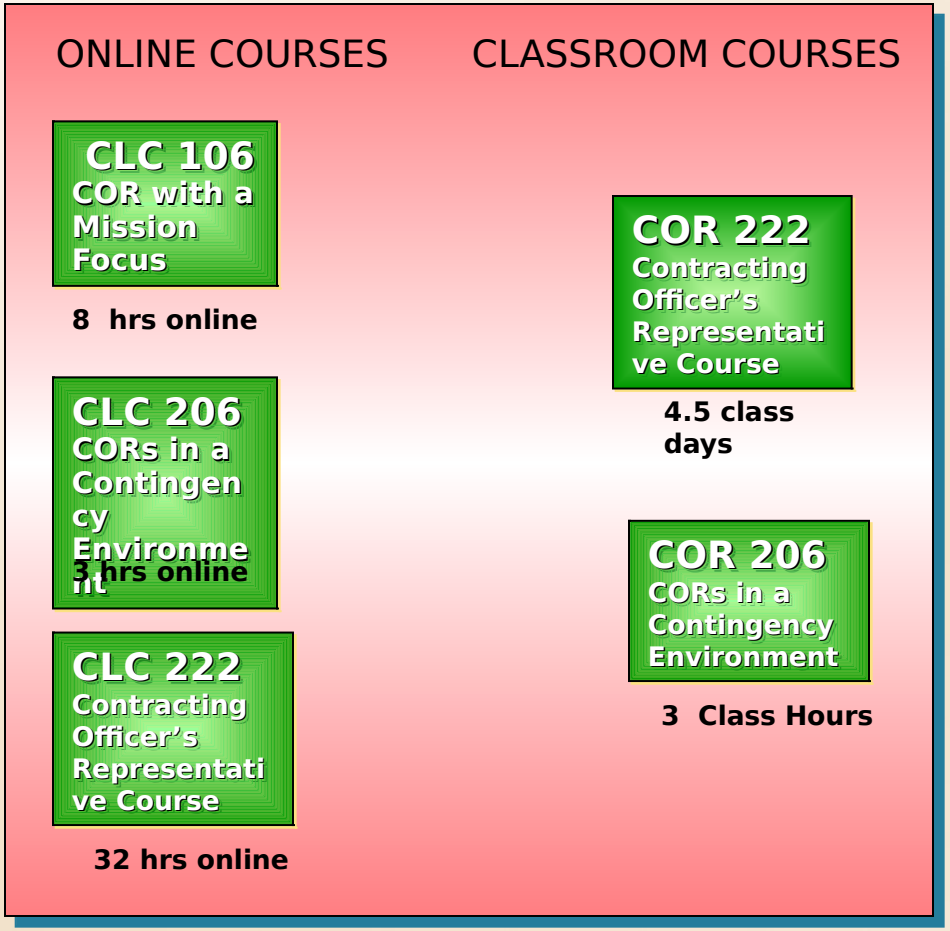
The standard identifies competencies, experience and minimum training needed for successful performance as a COR for:

- Type A: fixed-price, low performance risk requirements
- Type B: other than fixed-price, low performance risk requirements
- Type C: unique requirements that necessitate a professional license,

# Contracting Officer's Representative Training

- Training is determined by the Type of Contract the COR is assigned to monitor
- COR 222 and CLC 222 are equivalent courses
- COR 206 and CLC 206 are equivalent courses

## COURSES AVAILABLE:

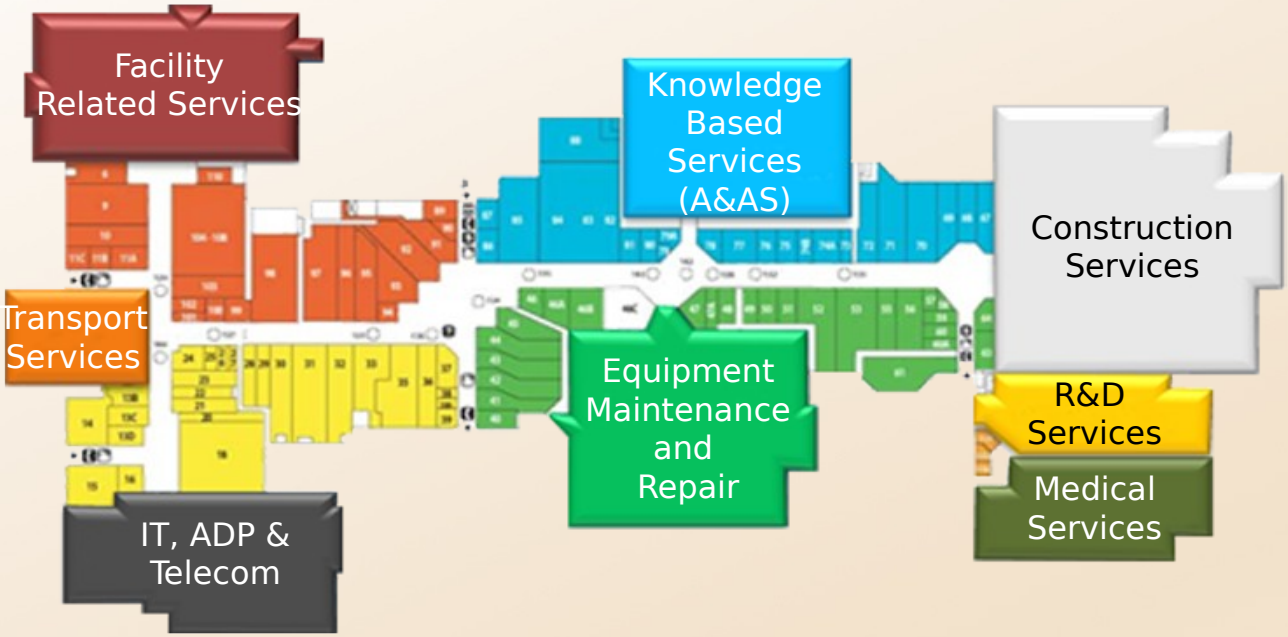



KEY:

# Help: CORT Tool

- **Electronic nomination and termination process**
  - **COR has the ability to self nominate**
  - **Electronic supervisor and contracting officer/specialist approval of COR nomination/termination request**
- **Identifies:**
  - **Name, career field, certification level**
  - **COR supervisor and contracting officer/specialist by name and other contact information**
  - **All training completed by the COR by complexity of the work/requirement (Type A/B/C), including basic and refresher training requirements**
- **Tracks:**
  - **Contracts by COR or CORs by contract**
  - **Add and review documents, such as a Status Report, COR trip report, correspondences and other miscellaneous documents to one or more of the COR appointed contracts**

# Help: Service Acquisition Mall - SAM




- **Integrates Sourcing Process and Learning assets with Product Service Code Knowledge**
  - **Utilizes same sourcing process contained in SAW and ACQ 265**
- **Aligns with DPAP Service Portfolios**
- **http://sam.dau.mil**

# Help: ARRT – Automated Requirements Roadmap Tool

A **job aid** using **standard templates** for PWS, QASP and PRS to help you organize and write performance requirements following the Requirements Roadmap process.

1.1 Online today
http://sam.dau.mil/arrt

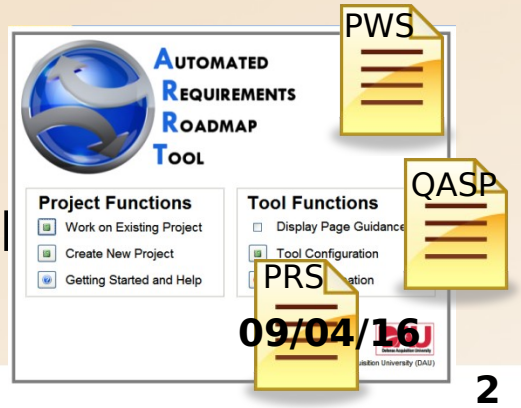
Builds your documents

- Performance Work Statement (PWS)
- Quality Assurance Surveillance Plan (QASP)
- Performance Requirements Summary (PRS)
- Easy to use
- Step by Step Approach
- Wizards provide guidance to help build documents

- Over 600 downloads since 15 Aug
- Runs on Microsoft Office applications
- Generates Microsoft Word documents for use in your acquisition
- ARRT Community of Practice on DAU's ACC

Performance requirements

- Proven methodology for l
requirements



# Help: DAU Online Training Resources

**www.dau.mil**

**CLC007, Contract Source Selection**

**Acquipedia Articles**

- **Source Selection**
- **Fair and Reasonable Price Determination**

**Source Selection Community of Practice (ACC)**

# Source Selection for Services